

## Message Text

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73

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 COME-00 OPIC-12 AID-20 CIAE-00

INR-11 NSAE-00 RSC-01 PM-07 NSC-07 SP-03 SS-20 DRC-01

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P 272022Z SEP 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 8264

C O N F I D E N T I A L BUENOS AIRES 7248

E.O. 11652: GDS

TAGS: EIMV, AR, US

SUBJECT: SITUATION OF AMERICAN COMPANIES IN ARGENTINA

REF STATE 213236

1. THE FOLLOWING LETTER DATED SEP 23 WAS POUCHED TO FRANK  
ORTIZ, ARA, APU

" DEAR FRANK, THE US BUSINESS COMMUNITY IN BUENOS AIRES IS  
INCREASINGLY CONCERNED ABOUT THE ECONOMIC PROBLEMS THEY ARE  
FACING. ON SEP 16, I HAD ANOTHER OF MY SERIES OF PERIODIC  
MEETINGS WITH LEADERS OF THE AMERICAN BUSINESS COMMUNITY,  
INCLUDING SOME ARGENTINE HEADS OF AMERICAN COMPANIES AS WELL  
AS MOST OF THE FEW REMAINING AMERICAN CITIZENS. AT THIS MEETING,  
AFTER LISTENING TO SOME OF THEIR SERIOUS AND PRESSING PROBLEMS,  
I ASKED THE GROUP WHETHER OR NOT THEY FELT THE TIME MIGHT HAVE  
COME FOR THE US EMBASSY TO MAKE A GENERAL APPROACH TO THE  
ARGENTINE GOVERNMENT ON BEHALF OF THE BUSINESS COMMUNITY SO  
AS TO BRING THE GOVERNMENT TO A BETTER APPRECIATION OF THE  
SERIOUSNESS OF THESE PROBLEMS, WHICH HAVE CAUSED NEW INVESTMENT  
TO COME TO A TOTAL HALT AND WHICH ARE ACTUALLY BRINGING ABOUT NET  
DISINVESTMENT. THE GENERAL CONSENSUS OF THE GROUP WAS THAT THE  
EMBASSY SHOULD NOT MAKE ANY SUCH GENERAL APPROACH AT THIS TIME,  
BUT RATHER THAT EACH COMPANY SHOULD CONTINUE TO FIGHT ITS OWN  
BATTLES, WITH RECOURSE TO THE EMBASSY IF IT IS FELT NECESSARY.

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I EMPHASIZED THAT I AND THE MEMBERS OF THE ECONOMIC/COMMERCIAL

STAFF ARE ALWAYS AVAILABLE TO DISCUSS AND TRY TO HELP WITH THE PROBLEMS OF AMERICAN COMPANIES. I MENTIONED THE RECENT CASE IN WHICH WE FURNISHED IMPORTANT ASSISTANCE TO AN AMERICAN COMPANY IN OBTAINING A CONTRACT FOR THE SALE OF MANY MILLIONS OF DOLLARS WORTH OF HYDROELECTIC GENERATING EQUIPMENT IN WHICH THE US FIRM HAD VERY STIFF COMPETITION FROM AN ITALIAN/SWISS CONSORTIUM (THIS WAS THE RIO GRANDE PUMPED STORAGE PROJECT).

THE TIME MAY SOON COME WHEN THE PROBLEMS CREATED FOR BUSINESS IN GENERAL, AND US BUSINESS IN PARTICULAR, BY THE ECONOMIC POLICIES OF THE ARGENTINE GOVERNMENT MAY BECOME SO SERIOUS AS TO WARRANT OFFICIAL US GOVERNMENT REPRESENTATIONS, WHETHER OR NOT IT IS DESIRED BY A MAJORITY OF THE BOARD OF GOVERNORS OF THE AMERICAN CHAMBER OF COMMERCE. IF AND WHEN THIS TIME COMES, WE WILL, OF COURSE, CONSULT YOU. IN THE MEANTIME, I WILL KEEP YOU INFORMED.

THANK YOU FOR YOUR PHONE CALL TODAY RE THESE PROBLEMS. WE SHALL AWAIT THE DEPARTMENT'S INSTRUCTIONS WITH MUCH INTEREST. SINCERELY, ROBERT C. HILL, AMBASSADOR".

2. EMBASSY COMMENTS ON REFTTEL WILL FOLLOW BY SEPTTEL.  
HILL

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NNN

## Message Attributes

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